

FISCAL YEAR 2019-20 BUDGET HIGHLIGHTS

The Town Budget for Fiscal Year 2019-20 (FY20) anticipates revenue in the amount of \$2,321,739, a re-appropriation of \$765,666, and expenditures in the amount of \$2,226,746 within the Operating Budget, and an appropriation of \$860,659 to the Capital Improvements Budget (CIP). The combined appropriation is \$3,087,405.

Revenue Highlights

Real Property Tax Rate – \$0.1312 per \$100 of assessed value, is down slightly from the rate of \$0.136, which had been in place for nine years, in order to comply with the State’s calculated constant yield tax rate.

Personal and Ordinary Tax (Businesses) – \$0.80 per \$100 of assessed value, which is an increase of \$0.05 over FY 2018-19.

Personal Property Tax (Utilities) - \$5.00 per \$100 of assessed value, which is an increase of \$0.40 over FY2018-19.

Income Tax Revenue – The anticipated income tax revenues for FY2019-20 are expected to decrease when compared to the current year’s budget to reflect the State’s projections. The projections are based on the State’s estimates of our income tax revenues and not from an increased rate from the State. The Town’s income tax revenue accounts for 17 percent of the County’s 3.2 percent ‘piggy back’ income tax, which is levied on all County Residents, living in the Town, and distributed back to the Town.

Highway User Revenue – This restoration of this revenue source from the State of Maryland, State Highway Administration anticipates additional funds.

Safe Speed Camera Revenue – These revenues continue to decline drastically due to a change in the old three-party agreement between Montgomery County, Chevy Chase View, and the Town to revised two-party agreement between the County and the Town.

Expenditure Highlights

Salaries – The FY20 Budget proposes an overall increase of four and six-tenths (4.6) percent toward salaries, which includes one and three-tenths (1.3) percent for cost of living (COLA). Additional funding is included for the possible sale of vacation leave; an increase in the Communications Specialist position; a 41 percent increase in the salary account to provide for additional fringe benefits for a full-time position versus part-time personnel for Public Safety Code Enforcement. Funding has been transferred from public safety contract services to part-

time salaries under public safety in order to hire Montgomery County police officers as part-time employees to provide additional consistency in public traffic and safety coverage.

Pension Contributions – Contributions are down this year primarily due to the Town’s defined benefit plan being closed last fiscal year, current employees were authorized to participate in the Town’s Defined Contribution Plan. The current plan requires the employee defer 5% of his or her salary with Town matching 10% to a 401-A plan.

Economic Development & Commercial Revitalization – This includes funding for the Town’s *ExploreKensington* campaign through Maier Warner, along with sponsorships of various Town events, to include: The Day of the Book Festival; Kensington Car Show; Pumpkin Rock N’ Roll; and other related events.

Traffic Enforcement (MCPD) – This line item has been moved to Public Safety salaries. The FY20 Budget proposes enhanced public safety by modifying the Town’s selective enforcement program by directly hiring off duty Montgomery County Police, as Town employees, to work up to 20 hours per week. The change will provide more consistency of the public safety and traffic coverage we provide to enforce certain traffic regulations within the Town.

Parks & Recreation - Municipal Events – The FY20 Budget continues funding for the annual Labor Day Parade and Festival and the 4th of July Bike Parade and other various Town events; including funding for public art programs.

Capital Improvement Plan Highlights

CIP 09-01 Public Works - Street Reconstruction and Renovation Program

This project is an ongoing preventative and rehabilitation program. It now provides regular preventative maintenance including resurfacing or rehabilitation of the 8.516 miles of town streets which includes replacement of deteriorated curbs and gutters, sidewalk, crosswalks, and milling and repaving.

09-02 Public Safety - Streetlight Acquisition and Replacement Program

This project anticipates the possibility of future purchasing or upgrading the streetlights on wooden poles, owned by Pepco, throughout the Town to install more energy efficient streetlights. There are currently 291 streetlights which need to be upgraded from Mercury Vapor to LED. The Town owns an additional 41 decorative streetlights along Howard Avenue, Armory and Knowles Avenue, which need periodic replacement from time to time.

CIP 10-01 Parks and Recreation - Park and Play Area Improvement Program

This project anticipates the replacement of playground equipment, park benches, and picnic tables in various Town parks.

CIP 11-03 General Government - Public Works - Vehicle, Equipment and Capital Replacement Program

This program continues to fund the replacement of town vehicles, equipment and other capital outlay items.

CIP 11-02 General Government - Town Hall Renovations

This project continues funding for future renovations as needed to maintain Town Hall. The HVAC system needs to be replaced as it is 22 years old.

CIP 12-02 Public Works - Bridge Renovations and Repair Program

The project is necessary to reserve funds for major repairs, to the extent that it may be necessary in the future to maintain three bridges over Silver Creek in Town at (1) Frederick Avenue, (2) Kent Street and (3) Kensington Parkway.

CIP 12-03 Public Works - Storm Drainage Reconstruction and Renovations Program

This project is necessary to reserve funds to the extent that it may be necessary to upgrade and maintain the Town's storm drain system throughout the Town.

CIP 14-01 Public Works - Flood Plain Protection and/or Land Acquisition Program

This project establishes a Town program to assist in acquiring property located in the Flood Plain located within the Town limits.

CIP 14-02 General Government & Public Works - Advance Land Acquisition Program

This project was established to fund the acquisition of property to house the Town's Public Works Garage in the event that the County proceeds with the extension of Summit Avenue and utilizes the property as part of the project. In addition, it may be used to fund other public uses as necessary.

CIP 14-03 General Government - Town Hall Drill Hall Floor Replacement

This project was established to begin the funding for the eventual replacement of the existing maple flooring in the Armory Drill Hall. Current estimates are in the range of \$12-\$14 per square foot. The Drill Hall is approximately 5,568 square feet; the cost to replace the flooring at current costs will be between \$67,000 and \$78,000. A recent refinishing project will be the last time the floor can stand a major refinishing; nails are already beginning to show.